

Assigned DOGM File No.: S / 003 / 072

DOGM Lead: LYNK

Permit Fee \$ 150.00 Ck # 245

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. **Name of Mine:** GREEN BEETLE QUARTZITE TRACT

2. **Name of Person or Entity Applying for Permit:** OAKLEY MOUNTAIN CORP.

Contact (Authorized Officer): MITCH JOHNSON

Address: 1729 S HWY 27

City, State, Zip: OAKLEY, ID 83346

Phone: 208-862-3820 Fax: 208-862-7812

E-mail Address: _____

Company ☒ Corporation ☐ Partnership ☐ Individual ☐

Other ☐ - specify type _____

A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? ☐ Yes ☐ No

Business License # 5902 480-0143

Registered Agent (as identified on business license): RHODA SIMPER

Address: 24550 N. LYNN OAKLEY ROAD

City, State, Zip: GROUSE CREEK, ID 84313

Phone: 435-747-7647 Fax: 435-747-7647

E-mail Address: _____

3. **Name of Operator (if different from #2)** _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

RECEIVED

SEP 28 2005

DIV. OF OIL, GAS & MINING

If Partnership or Individual:**Name of 1st owner / partner:** LARRY SCRIVANICH**Address:** 12280 NE WOODINVILLE DR PO BOX 2174**City, State, Zip:** WOODINVILLE, WA 98072**Phone:** 888-281-8776 **Fax:** 425-488-6922**E-mail Address:** _____**Name of 2nd owner / Partner:** _____**Address:** _____**City, State, Zip:** _____**Phone:** _____**Fax:** _____**E-mail Address:** _____**If Corporation or Limited Liability Entity:****Name of Officers:** _____**Title:** _____LARRY SCRIVANICH**Title:** OWNER**Title:** _____**Title:** _____**4. Permittee / Operator Representative (if different from #2):****Name:** _____**Address:** _____**City, State, Zip:** _____**Phone:** _____**Fax:** _____**E-mail Address:** _____**5. Ownership of Land Surface:**Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name: BLM UTAH**Address:** 2370 S. 2300 W.**Name:** _____**Address:** SALT LAKE CITY, UT**Name:** _____**Address:** 84119**Name:** _____**Address:** _____**6. Ownership of Minerals:**Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐State Trust Land/School Sections ☒ State Sovereign Lands ☐

Other (please describe): _____

Name: SITLA**Address:** 675 E. 500 S. STE 500**Name:** _____**Address:** SALT LAKE CITY, UT**Name:** _____**Address:** 84102-2818**Name:** _____**Address:** _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): UTU 81125

BLM Claim Numbers _____

Utah State Lease Number(s): ML - 49947

Name of Lessee(s) OAKLEY MOUNTAIN CORP

7. **Have the above surface and mineral owners been notified in writing?**

Yes X No _____

If no, why not? _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

8. **Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No _____

II. **PROJECT LOCATION & MAP (Rule R647-3-105)**

1. **Project Location** (legal description):

County(ies): BOX ELDER

SE 1/4, of SE 1/4, of W 1/2 Section: 36 Township: 11 N Range: 16 W
SE 1/4, of SE 1/4, of SE 1/4 Section: _____ Township: _____ Range: _____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: WARM SPRING HILLS

2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **should** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining:** Surface ☒ Underground ☐
2. **Mineral(s) to be mined:** QUARTZITE
3. **Amount of material to be extracted, moved or proposed to be moved:** 5000 TONS
4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**
Yes ☐ No ☒ If yes, please describe (add extra pages if needed)

5. **Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary).** STONE WILL BE EXTRACTED FROM EXISTING 1 ACRE DISTURBANCE SPLIT & PALLETIZED. THEN TRANSPORTED TO STAGING & STORED UNTIL SOLD.
MACHINERY: 1 LOADER, 1 EXCAVATOR, AND A CREW OF 5 LABORERS, WORKING 5 DAYS A WEEK.
6. ☐ **New Road(s):** Length N/A (ft) Width _____ (ft)
7. ☐ **Improved Road(s):** Length 200 (ft) Width 9 (ft)
8. **Total project surface acreage to be disturbed:** 3 (acres) **PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).**
9. **Proposed startup date of project (month, year)** 8/1/05
10. **Proposed completion date of project, if known (month, year)** UNKNOWN

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*

6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
_____	_____
_____	_____
_____	_____

VI. SURETY (Act 40-8-7(1)[c])

The surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved notices consistent with on-site conditions. The surety amount is based on the nature, extent and duration of operations. These amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.

\$5,000 for the 1st acre; and

\$3,000 for each additional acre.

Acceptable forms of surety may include: certificates of deposit, letters of credit, surety bonds & cash. Please identify which type of surety you will post so we can provide you with the appropriate forms.

☐ Certificate of Deposit ☒ Letter of Credit ☐ Surety Bond ☐ Cash

☐ Other _____ (please identify)

(please be advised that the State Treasurer's office may require additional monies to administer cash sureties).

Check if applicable:

☐ Reclamation surety is already posted with another regulatory agency (copy must be included as proof):

\$ 14300 (amount) COLUMBIA BANK (Agency name)

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: MITCH JOHNSON

Address: 1729 S HWY 27

City, State, Zip: OAKLEY, ID 83346

Phone: 208-862-3820

Fax: 208-862-7812

E-mail Address: _____

Name: LARRY SCRIVANICH

Address: PO BOX 2174

City, State, Zip: WOODINVILLE, WA 98272

Phone: 888-218-8776

Fax: 425-488-6922

E-mail Address: _____

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

(Please check the box and place your initials on the line provided)

WJ ☒

I have enclosed the required permit fee.

_____ ☐

I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.

_____ ☐

I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee/ Operator/ Applicant: 

Name (typed or printed): MITCH JOHNSON

Title/Position (if applicable): PRODUCTION MANAGER

Date: 8/3/05

N

W

36

EXISTING
DISTURBANCE
1.0 Acre

UPPER PIT STABLE
RECLAMATION
1.5 Acre

STAYE
AREA
0.5 Acre

S

